

RESOLUTION 2023-11-02

ARENA AND SPORTS COMPLEX

A RESOLUTION OF THE DOWNTOWN INVESTMENT AUTHORITY APPROVING THE MINIMUM QUALIFICATIONS, SCOPE OF SERVICES, AND SCORING CRITERIA OF A REQUEST FOR PROPOSAL FOR GARAGE OPERATORS AT THE METROPOLITAN PARKING, LLC GARAGES (SPORTS COMPLEX GARAGE AND ARENA GARGAGE) AS LISTED IN EXHIBITS 1, 2, AND 3; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER TO MAKE MINOR CHANGES TO THE EXHIBITS, PROVIDED THE EXHIBITS INCLUDED IN THE REQUEST FOR PROPOSAL ARE SUBSTANTIALLY SIMILAR TO THE ATTACHED; AUTHORIZING ITS CHIEF EXECUTIVE OFFICER, THROUGH THE CITY PROCUREMENT DIVISION, TO ISSUE THE REQUEST FOR PROPOSAL, NEGOTIATE WITH A VENDOR, AND NEGOTIATE A CONTRACT WITH A VENDOR THAT IS SUBJECT TO APPROVAL BY THE DIA BOARD; PROVIDING AN EFFECTIVE DATE.

WHEREAS, on April 21, 2022, the City of Jacksonville and the Downtown Investment Authority entered into a Mediated Settlement Agreement to litigation with Metropolitan Parking Solutions, LLC (hereinafter “MPS”), owner of the Courthouse Garage located at 116 Pearl Street North, the Sports Complex Garage located at 500 A. Philip Randolph Boulevard and the Arena Garage located at 999 East Adams Street, collectively “the Garages”; and

WHEREAS, the Mediated Settlement Agreement included a Lease Agreement for the Garages between MPS and the Downtown Investment Authority (hereinafter “DIA”) for a term that expires on September 30, 2051; and

WHEREAS, the Mediated Settlement Agreement also included the assignment of a Parking Management Services Agreement with LPS of America, Inc., dated September 23, 2020, and for a term that expires on December 31, 2025, from MPS to the DIA; and

WHEREAS, at their meeting of June 27, 2023, the Jacksonville City Council voted to approve Resolution 2023-355 “encouraging and requesting the DIA to explore opportunities to competitively procure services for operation of the Courthouse Garage, Arena Garage and Sports Complex Garage, or to partner with the Jacksonville Transportation Authority to provide these services and, if an alternative in the best interest of the city is identified, to terminate for convenience the Parking Management Services Agreement between the DIA and Reef Platform U.S. Operations, LLC (successor to LPS America, Inc.)”; and

WHEREAS, at their meeting of August 16, 2023, the DIA Board voted to approve Resolution 2023-08-10 “authorizing its Chief Executive Officer to prepare a Request For Proposal for the purpose of soliciting competitive responses from qualified parking garage operators for the management of the Metropolitan Parking, LLC Garages (Courthouse Garage,

Sports Complex Garage, and Arena Garage)” subject to Board approval of terms of the solicitation prior to issuance; and

WHEREAS, the differences in utilization require a separate RFP for the Courthouse Garage from the Arena and Sports Complex Garages; and

WHEREAS, “efficient utilization of existing parking structures” is a Strategic Objective of BID Plan Redevelopment Goal No.1 and “maximizing utilization of existing parking structures” is a Strategic Objective of BID Plan Redevelopment Goals No. 2 and No. 3,

NOW THEREFORE, BE IT RESOLVED by the Downtown Investment Authority:

Section 1. The DIA Board finds that the recitals set forth above are true and correct and are incorporated herein by this reference.

Section 2. The DIA Board hereby approves of the Minimum Requirements for the Request For Proposal for a garage operator for the Arena and Sports Complex Garages attached to this Resolution as Exhibit 1.

Section 3. The DIA Board hereby approves of the Scope of Services for the Request For Proposal for a garage operator for the Arena and Sports Complex Garages attached to this Resolution as Exhibit 2.

Section 4. The DIA Board hereby approves of the Scoring Criteria for the Request For Proposal for a garage operator for the Arena and Sports Complex Garages attached to this Resolution as Exhibit 3.

Section 5. The DIA Board authorizes the DIA Chief Executive Officer to make minor changes as needed to the attached Exhibits, so long as the Exhibits included in the Request For Proposal are substantially similar to the attached.

Section 6. The DIA Board further authorizes the DIA Chief Executive Officer to take all steps to complete the Request For Proposal with the City Procurement Division, issue a Request For Proposal for a garage operator, negotiate with a vendor, and draft a contract that is subject to approval by the DIA Board.

Section 7. The DIA Board directs that one member of the scoring committee shall be a DIA Board member; one member a DIA staff member; and the third member may be a DIA staff member, Office of Public Parking staff member, or OED staff member as determined by the CEO of DIA.

Section 8. This Resolution shall become effective on the date it is signed by the Chair of the DIA Board.

[SIGNATURES ON FOLLOWING PAGE]

WITNESS:

DOWNTOWN INVESTMENT AUTHORITY




Jim Citrano, Chair

11/20/23
Date

VOTE: In Favor: 7 Opposed: 0 Abstained: 0

Resolution 2023-11-02B
Exhibit 1
Minimum Qualifications

Vendors must satisfy the following mandatory minimum requirements in order to have their Responses to manage operations of the Arena and Sports Complex Garages evaluated. By submitting a Response, the Vendor warrants and represents that it satisfies these requirements. Failure to meet these requirements will result in the Response not being evaluated and being rejected as non-responsive:

- 1.1 All proposers responding to manage the Arena and Sport Complex Garages must have a **minimum** of five years' experience operating a garage or garages with a minimum of 1,500 spaces in the aggregate and providing primarily special event parking.
- 1.2 All proposers must be capable of providing all of the monthly reports listed in the RFP.
- 1.3 All proposers (and any/all subcontractors) must be authorized to transact business in the State of Florida and maintain for the length of the contract any licenses required to perform all services hereunder to operate the Arena and Sports Complex Garages.
- 1.4 All proposers must provide a list of any and all subsidiaries or other lines of business that the proposer is involved with.
- 1.5 All proposers must not have had any outstanding fines or liens in the last five years with any regulatory body that have remained past due for more than 180 days.
- 1.6 All proposers must provide a minimum of three (3) references pertaining to operation of garages that are similar in nature and scope to the services requested hereunder for the Arena and Sports Complex Garages, i.e. operation of primarily special event garages with an aggregate of 1,500 or more spaces. A reference from at least one **existing government client operating in Florida is required**. This can include municipal or county governments, departments, authorities, or divisions of local municipalities, or the State of Florida.
- 1.7 All proposers are prohibited from submitting proposals under this RFP in which the primary contractor is a Joint Venture or Partnership business arrangement.

Resolution 2023-11-02B
Exhibit 2
Garage Operations Scope of Services

The Downtown Investment Authority, as the Community Redevelopment Agency for the combined Northbank CRA (DIA), intends to contract parking management services to an experienced and qualified Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost, and is rewarded for material increases in net revenue returned to DIA, for the Arena and Sports Complex Garages. The Vendor shall manage, staff, maintain, and operate the assigned parking facility in an efficient manner with a customer-centric focus in line with other A-class event parking facilities.

FACILITY BACKGROUND INFORMATION

The DIA has operational control of the Arena and Sports Complex Garages pursuant to a long-term lease and is seeking proposals from qualified parking operators and management companies to provide the services identified in the RFP. A description of each of the facilities is listed below.

- The Arena Garage is a 465-space, 5-level facility located at 999 E. Adams Street. This garage is directly adjacent to the VyStar Veterans Memorial Arena and currently serves event parking only. Given the demand for non-event parking in this area, transient parking will be added in the future, in addition to event parking. This facility does not have any PARCS equipment installed at this time. The facility is currently gated when closed and operates as a pay on entry facility during events with attendants accepting credit card payment only. This location also accepts reservations and pre-payment through the web-based/app-based ParkWhiz platform.
- The Sports Complex Garage is a 950-space, 4-level facility located at 500 A.P. Randolph Boulevard. This facility is directly across the street from the VyStar Veterans Memorial Arena, the Jacksonville Fairgrounds, and 121 Financial Ballpark. This location is currently used for event parking only. This facility does not have any PARCS equipment installed at this time. The facility is currently gated when closed and operates as a pay on entry facility during events with attendants accepting credit card payment only. This location also accepts reservations and pre-payment through the web-based/app-based ParkWhiz platform. Monthly daytime parking for a portion of the garage is under consideration.

SERVICES

The Vendor shall manage, staff, maintain, and operate the parking facilities in an efficient manner with a customer-centric focus in line with other A-class event parking facilities. The services to be provided shall include, but not be limited to the following:

- 2.1 Coordination of event schedules and event parking needs with the City's Office of Special Events and the City's event venue manager (currently ASM Global) and management and staffing of the facility for all user groups, including transient parkers and monthly parkers if added to the facility at the determination of DIA.

- 2.2 Billing and account reconciliation, routine daily maintenance of facilities and equipment, and working with the DIA on the coordination of contracting vendors for equipment repairs, etc.
- 2.3 Provide staffing for special events, and as needed to operate transient or monthly parking when added, including on-site supervision during garage operating hours.
- 2.4 The vendor may subcontract some services but cannot subcontract:
 - a. Bookkeeping
 - b. Record keeping and reporting.
 - c. Financial reporting and the reports required to be provided to the DIA.
- 2.5 Provide facility maintenance staffing and services that include painting, garage sweeping, equipment maintenance and repair, light bulb replacement, and stairwell maintenance, etc. This does not include individual capital improvement projects over \$5,000.00 for a single project and more than 15,000.00 in projects per year. Projects exceeding those thresholds will require pre-approval of DIA prior to incurring any such additional capital expense.
- 2.6 The CEO of the DIA must approve any subcontract for services for repetitive and scheduled maintenance, and the vendor will provide three (3) quotes for services and a recommendation on which subcontractor it would select. The vendor will provide notification if the subcontractor is a subsidiary or otherwise affiliate with the vendor. The vendor should also consider JSEB qualifications when selecting subcontractors.
- 2.7 For all non-repetitive or non-scheduled maintenance, if the project is over \$5000.00, the vendor will provide three (3) quotes to the CEO of the DIA and a recommendation on which subcontractor it would select.
- 2.8 By January 31st of each year, provide an annual budget (for the ensuing fiscal year) of operating expenses and revenues for the garage. An overall budget for both should be provided as well. This budget will be subject to approval by the CEO of the DIA each year. This budget will include:
 - a. The management fee structure as stated in the contract. This will include any base fee, any incentive fee, and all operation expenses.
 - b. Any third-party contracts for services
 - c. An accurate estimate and detail of any and all operating expenses to be charged to the city, by vendor, including, but not limited to, the allocation of wages for off-site vendor personnel, equipment rental from vendor, insurance provide by vendor, any vendor management fees, vendor IT support, vendor banking fees, and vendor recruiting).
 - d. Labor costs, including:
 1. Position titles of personnel for whom expenses will be incurred, and if shared with other operations of vendor, the percentage of their time devoted to this contract as compared to other contracts and business responsibilities
 2. Headcount for all full-time, part-time, and seasonal employees
 3. Wages for all full-time, part-time, and seasonal employees

4. Hours worked for all full-time, part-time, and seasonal employees
 5. Payroll Tax, benefits
 6. Total monthly labor expense by position
- 2.9 Provide detailed and accurate monthly reports and payment for reimbursement, no later than the 15th of each month, for each facility which will include the following as applicable:
 - a. Weekly Missing Ticket Reports
 - b. Monthly Card Reports
 - c. Monthly Validation Reports
 - d. Monthly Entrance/Exit Reports
 - e. Monthly Ticket Summaries
 - f. Detailed Monthly Staffing Schedule
 - g. Monthly Manager Report including at least: actual and annual budget numbers, explanations for variances, payroll reports, strategies on how to control expenses, information on how additional parkers may be accommodated, parking rate surveys, market surveys, and information on any complaints, issues, and concerns.
 - h. Monthly Labor Costs, including:
 1. Position titles
 2. Headcount for all full-time, part-time, and seasonal employees
 3. Wages for all full-time, part-time, and seasonal employees
 4. Hours worked for all full-time, part-time, and seasonal employees
 5. Payroll Tax, benefits
 6. Total monthly labor expense by position
 - i. Itemized list of all revenues and all expenses
- 2.10 Monitor the facility usage and capacity on a regular basis, including doing actual counts in order to maximize the number of parkers utilizing the facility, as well as monitoring daily to ensure that there is no unauthorized use and make recommendations to DIA regarding opportunities for increased usage and revenue.
- 2.11 Enforce parking policies and rates set by the DIA in coordination with the DIA.
- 2.12 Coordinate with the DIA to schedule garage closures for maintenance or any other reason to ensure that these closures do not impact available parking or garage revenues.
- 2.13 The vendor is not authorized to provide free parking or sell daily or monthly spaces in the Arena and Sports Complex Garages under any circumstances unless the specific use is expressly authorized in writing by DIA. The DIA is considering adding daily and monthly parking to these garages and will retain the ability to enter into contracts to do so. The vendor will assist DIA in acquiring and installation of any equipment or upgrades needed to the garages to allow for any parking agreement the DIA enters into and will be responsible for operating the garages with these agreements in place.
- 2.14 The vendor shall provide an Operations Plan for each garage. This plan should be updated each fiscal year, consistent with the budget provided by the vendor, and provide the following:

- a. Details of the day-to-day operations of the garage.
- b. Areas to improve efficiency of garage operations and overall customer service.
- c. Monthly fixed and variable costs for operations.
- d. Recommended staffing levels and hours.
- e. A list of necessary positions to operate the facility, including back office and support operations.
- f. Foreseen equipment needs, including leases.
- g. What services are provided by the vendor, which services are contracted out to another party, and what contracts will expire during the fiscal year. If the other party is an affiliate, describe that relationship in this plan.
- h. Plans to increase net operating income, defined as gross revenue minus operating expenses, where gross revenue is all revenue collected through parking operations and operating expenses are those expenses, taxes thereon, attributable to the operation of the services.
- i. How the plan will manage operating expenses related to services despite rising costs.

2.15 The Vendor shall provide a Maintenance Plan outlining the following:

Provide a maintenance plan covering a five-year term including tasks to be performed daily, weekly, monthly, bi-annually, and annually for each garage. This plan should also include recommendations for upgrades to garage technology and operations to improve garage operations and allow hourly, daily, and special event parking in each garage. If any of the tasks are contracted, or not included and explained in the budget, please do so here. This maintenance plan does not include any structural evaluation or plan, which has been previously obtained by DIA and will be provided to the selected Vendor to coordinate implementation on the recommended schedule. This plan will be provided as a deliverable 90 days after the execution of the contract.

2.16 The contract will be for a term of 3 years, with 3 one-year renewal options exercisable by upon mutual agreement of the parties. The Contract shall be terminable by DIA in the event of the following:

1. On 90 days prior notice if the proposed operating costs contained in the budget for any year exceed the prior year's budget by more than 120% of the percent change in the CPI Index over the previous year. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.
2. On 90 days prior notice if the actual operating expenses charged by the vendor in any year exceed the approved budget for such year by more than 10% unless the actual net revenue to DIA also increases by an equal or greater %.
3. If the vendor fails to cure any deficiencies in its performance of the scope of services hereunder within thirty (30) days after receiving notice thereof, DIA may terminate this contract upon 60 days prior notice to vendor.
4. In the event of defaults as may be required by the City Office of General Counsel or Risk Management Office.

- 2.17 The Vendor shall visually inspect the garages at least monthly and immediately notify DIA of any visible structural issues or cracks. Vendor shall be responsible for taking immediate action to stabilize and/or partially or fully close any garage if any safety hazard is discovered upon such visual inspection or otherwise brought to Vendor's attention.

Resolution 2023-11-02B
Exhibit 3
Scoring and Evaluation Criteria

The evaluations will be based upon the following criteria. As stated in the scope, DIA intends to contract parking operations management of the Aread and Sports Complex Garages to an experienced and qualified Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost and is rewarded for material increases in net revenue returned to DIA. Failure to provide adequate information on any criterion will result in lower scores and could result in rejection of the proposal as non-responsive. The response to each of the criteria will be evaluated relative to the criteria listed in this section and the contract will be awarded to the highest scoring, responsive, responsible bidder for the Response Evaluation Criteria. **Proposers shall arrange their responses in a format that will offer ready review and evaluation of each criterion.** Please note that **100** points is the maximum total for all criteria. The DIA has the final determination into which contracts are awarded.

RESPONSE EVALUATION CRITERIA:

In your response, list the page number(s) and paragraph(s) that specifically address each of the evaluation criteria listed below.

1. COMPANY EXPERIENCE AND REFERENCES: 25 points maximum score

- For vendors proposing to manage the Arena and Sports Complex Garages, describe company qualifications and experience in parking operations management for large, professional sporting events, and other mixed use parking facilities.
- Describe the availability of adequate personnel. Provide a proposed list of the positions necessary to operate the facilities, including management, administrative, accounting personnel, and staffing for maintenance, etc. Describe the qualifications and experience of the key personnel you propose to use.
- Provide the number and size of similar garage management operations currently being performed. Discuss past ability to deliver services on a timely basis under similar current workload conditions.
- Provide a minimum of three (3) references pertaining to the operation of garages that are similar in nature and scope to those herein, with references to include the client's contact person and telephone number. One of these references should be an existing government client operating in Florida. This can include municipal or county governments, departments, authorities, or divisions of local municipalities, or the State of Florida.
- Describe the vendor's understanding of the requirements of this solicitation, and its ability, approach and/or plan to satisfy the same in complete compliance with all applicable federal, state, and local laws, statutes, ordinances, rules, and regulations.
- Describe any outstanding accomplishments that relate to specific services being sought, for example, this could include awards, employee training and certifications, or special licenses.

- Provide documentation, such as financial statements, net income statements, operating expense statements, and budgets showing the ability to generate revenue from garages of similar size and scope to the Arena and Sports Complex Garage. This can be in one garage or garages that are in the same vicinity with an aggregate of 1,500 spaces.

2. OPERATING AND STAFFING PLAN: 30 points maximum score

- Describe the transition and start-up operating plan and how the proposed management and staffing plan will allow for continual and uninterrupted service.
- Resumes of Key Personnel. At a minimum, the resumes must include name of required person, proposed labor category or role of responsibility, education (degree(s)/certifications received and/or currently held, including the year completed, major field(s) of study, relevant experience (list employer, title of position, starting and ending dates (month/year) and a concise description of experience related to the requirements of their proposed position.
- Provide a conceptual operating plan for the first year of operation and conceptual budget based on experience with similar garages.
- Describe through existing operations plans how the Vendor has operated other garages with a history of:
 - i. Efficient garage operations
 - ii. Excellent customer service
 - iii. Experience with subcontractors
- Describe the estimated number of staff, hours, and labor expenses required for operation in the proposed management and staffing plan.
- Describe employee hiring, training, supervision of performance, and retention policies to minimize turnover while providing the highest level of customer service for a parking facility.
- Describe how the plan would allow for a combination of primarily special event parking with hourly or monthly parking in the same garage for the Arena and Sports Complex Garages.
- Describe the maintenance plan that provides for operational maintenance to be completed at each garage weekly, monthly, bi-annually, or annually.
- Describe what services will be provided directly by the vendor and which services will be contracted out to another party. If this third party is an affiliate describe that relationship. Information about subcontractors should include the names of any subcontractors, area of expertise for any subcontractors, the proposed work to be given to any subcontractors, and whether the subcontractor meets JSEB qualifications.
- Vendors will indicate in their operations plan how they plan to increase net operating income and include any costs associated with that increase.
- Vendors will describe how the plan will manage operating expenses related to services despite rising costs.

3. CONTRACT COST: 40 points maximum score

Vendor shall explicitly identify in detail the anticipated comprehensive contract cost to the DIA for Vendor's services. This shall include all base management fees, standard pass-through fixed

monthly fees, expenses and overhead charges, any incentive payments tied to performance, and the expected variable operating expenses that will be passed through to DIA based on the conceptual operating plan for each garage.

DIA is seeking a Vendor who can provide a high quality of customer service and garage maintenance at a reasonable cost, and is rewarded for material increases in net revenue returned to DIA. A fee structure that incentivizes the vendor to materially increase net operating income in the Garages will be considered, provided such increase is achieved by revenue increases or reductions in pass through fees or expenses other than on-site labor and services that would impact garage operations or customer service. Net operating income is defined as gross revenue from the garage minus all operating expenses where gross revenue is all revenue collected through parking operations and operating expenses are those expenses, and taxes thereon, attributable to the operation of the services.

Vendors will be scored on the comprehensive contract cost model that they submit based on the following criteria.

- The proposed comprehensive contract cost structure for each garage (i.e., base fee, incentive, other projected fixed fees to be charged for the services, projected operating expenses to be deducted from gross revenue, etc.)
- The monthly fixed costs to DIA per garage (should tie back to operations plan)
- The estimated monthly variable operating costs associated with operating each garage. (describe relationship to level of service and/or gross revenue)
- How the proposed structure incentivizes material increases in net operating income for one or more of the garages without reducing the level of service.
- The percentage of total contract costs associated with onsite garage operations (labor, janitorial services, equipment maintenance, etc. (please identify these items in the proposed operations plan and cost structure) as compared to the percentage of fixed overhead and management expenses (labor associated with management, back office and support operations, accounting fees, reporting fees, management fees, etc.). For example, 30% onsite : 70% overhead and management)

4. JSEB PARTICIPATION: 5 points maximum score

- Vendors should indicate their past and present commitment to minority, women-owned, and small and emerging businesses. Additionally, responses to this evaluation criterion should include, without limitation, statements that document the vendor's:
- Commitment to diversity among the directors, officers, and employees that make up the organization.
- Commitment to diversity within its community and beyond.
- Examples and data of utilization of minority, women-owned, and small and emerging businesses on past projects.
- Examples and data of utilization of minority, women-owned, and small and emerging businesses, certified Jacksonville Small and Emerging Businesses (JSEBs) in particular, for the project solicitation in question.



DOWNTOWN INVESTMENT AUTHORITY

117 West Duval Street #310, Jacksonville, Florida 32202
(904) 255-5302 | <https://dia.coj.net/>

DATE: November 1, 2023
TO: Strategic Implementation Committee
FROM: Lori Boyer, Chief Executive Officer, DIA
RE: Resolution 2023-11-02 DIA Garage Operator RFP

GARAGE OPERATOR RFP

Resolution 2023-11-02 would authorize the Chief Executive Officer of the DIA to cause to be issued a Request for Proposal, or functional equivalent, for the procurement of a garage operator/operators for DIA's three garages: the Courthouse Garage, a primarily monthly and transient/daily parking facility; the Arena Garage, a primarily special event garage; and the Sports Complex Garage, a primarily special event driven garage. Brought to the DIA for consideration are three Resolution options:

- i. Resolution 2023-11-02A – an RFP for procuring a single operator for all three garages; or
- ii. Resolution 2023-11-02B – an RFP for procuring just the Arena and Sports Complex garages operator; and
- iii. Resolution 2023-11-02C – an RFP for procuring an operator for the Courthouse Garage that would be issued coinciding with Resolution 2023-11-02B above.

DIA Staff is recommending that Resolutions 2023-11-02B and 2023-11-02C be adopted by the DIA with the reasoning that their respective garages are functionally distinct operations (i.e., special event driven versus monthly/transient/daily parker driven). Therefore, although a single vendor could be awarded all three garages under this scenario, this process could result in two vendors, with one who specializes in special event driven garages and another who specializes in monthly/transient/daily parking operations. Consequently, staff only sees an upside to issuing two RFPs.

Each version of Resolution 2023-11-02, in addition to instructing the DIA's Chief Executive Officer to issuance of an RFP, approves Minimum Qualifications, a Scope of Services and Scoring Criteria for incorporation into the RFP(s). The aforementioned are included in each resolution version as:

Exhibit 1- Minimum Qualifications

Exhibit 2- Scope of Services

Exhibit 3- Scoring Criteria

CITY COUNCIL AND DIA BOARD RESOLUTIONS

On June 27th, 2023, the Jacksonville City Council voted to approve Resolution 2023-355. This resolution encourages the DIA to explore options related to the operations of the garages. The Council requested that this be done through a Request for Proposal and to terminate for convenience the Parking Management Services Agreement between DIA and Reef if a more cost-effective alternative is found.

On August 16th, 2023, in response to Resolution 2023-355, the DIA Board voted to approve Resolution 2023-08-10 “authorizing its Chief Executive Officer to prepare, subject to final Board approval prior to issuance, a request for proposal for the purpose of soliciting competitive responses from qualified parking garage operators for the management of the Metropolitan Parking, LLC Garages (Courthouse Garage, Sports Complex Garage, and Arena Garage).”

BACKGROUND

On September 23rd, 2020, Metropolitan Parking Solutions, LLC (MPS) and LPS of America, Inc (LPS), now Reef Platform U.S. Operations, LLC (Reef) entered into a Parking Management Service Agreement for three (3) parking garages located at 116 Pearl Street North, 500 A. Philip Randolph Boulevard, and 999 East Adams Street (the garages). In this agreement MPS agreed to reimburse LPS for all operating expenses of the garages. This agreement has a term of sixty (60) months, starting on November 1st, 2020, and ending on December 31st, 2025.

Per an amendment agreed to by MPS and LPS, a Termination for Convenience clause was added to the Parking Management Service Agreement. This can be done with ninety (90) days’ notice from either party.

On April 21st, 2022, the City of Jacksonville and the Downtown Investment Authority (DIA) entered into a settlement agreement with MPS and DIA was assigned the Parking Management Service Agreement from MPS. The current Parking Management Service Agreement provides for a Management Fee structure for Reef to operate the garages. It consists of a base fee, an incentive fee, and operating expenses. The base fee is the smallest amount, it is a combined \$3,000.00 for all three garages. The incentive fee consists of 5% of monthly net operating income for the Courthouse garage and 3% for the Arena and Sports Complex Garages.

All net operating revenues above the Management Fee amount are remitted to the DIA each month. Therefore, the operator is being paid for its operating expenses and a small portion of revenues for profit under the current agreement. This is done for each garage separately, and a monthly report of expenses and revenues is provided to the DIA.

RFP LANGUAGE

RFP Minimum Qualifications

Generally, minimum qualifications are consistent in their experience levels, but are tailored in Resolutions 2023-11-02B and 2023-11-02C to the primary garage function: special event driven versus monthly/transient/daily parker driven. In Resolution 2023-11-02A, which contemplates a single vendor for all three garages, the minimum qualifications are essentially a combination of those found in Versions B and C.

Essentially, proposed vendors are required to have five (5) years of experience in operating the relevant kind of garage (or all of the garages for Version A) and are required to provide references as well. Again, each reference or experience level is to be specific to the garage type within that RFP, or in the case of Version A, for all three garages. Additional qualifications include:

- All proposers must be capable of providing all of the monthly reports listed in the RFP.
- All proposers (and any/all subcontractors) must be authorized to transact business in the State of Florida and maintain any licenses to perform services required to operate for the length of the contract.
- All proposers must not have had any outstanding fines or liens in the last five years with any regulatory body that have remained past due for more than 180 days.

Further, each proposed vendor in their response(s) is required to provide a list of all subsidiaries and other lines of business that any proposer is involved with to help show experience in garage operations. This couples with the requirement for notification if an affiliated party is going to be used to contract a service in any of the garages found in the Scope of Services. If the proposer uses a third party for any of the operational services of the garage, the DIA has this in place to know whether that third party is affiliated with the proposer. This section does not prohibit a proposer from using a subsidiary to provide services in the garage, but it does require that the relationship be disclosed beforehand.

Finally, vendors are prohibited from submitting proposals in which the primary vendor is a Joint Venture or Partnership business arrangement.

RFP General Scope of Services

The vendor or vendors shall staff, maintain, and operate the parking facilities in an efficient manner with a customer-centric focus in line with other A-class parking facilities. The following is a summary of the “general” Scope of Services sought for each garage, regardless of primary operation type (i.e. special event driven vs monthly/transient/daily parkers driven). For specific or specialized services based on garage operation type, please see Exhibit 2 to each resolution version.

Each vendor or vendors will be required to provide an Operation Plan and a Maintenance Plan which will be tailored and specific to each garage. The Operations Plan will provide information about staffing, performance, and customer service. The Maintenance plan will be for five (5) years and will allow the DIA to take advantage of the industry knowledge.

Maintenance and Capital Repairs:

Each vendor is responsible for daily and routine maintenance of the garage(s). However, if a larger maintenance or capital improvement project is required, then the DIA will approve the project and retain the option to complete the project. This is similar to how capital projects are handled under the current Parking Management Service Agreement. An example is a contract to replace the roof on the elevator shafts at each garage. The RFP specifies this cutoff point at \$5,000 per project and \$15,000.00 annually, which was derived by reviewing the amounts of all capital improvement contracts since the DIA took over management of the garages. Above this amount, the DIA must approve of any capital

improvement projects to determine if it can take advantage of cost saving measures such as utilizing an existing City contract and avoiding sales tax. This language exists in all versions of the RFP.

Reporting Requirements:

The Scope of Services for each RFP includes enhanced reporting requirements above and beyond the current Parking Management Service Agreement. The current vendor has been providing significantly more information than is required by that agreement, and the RFP memorializes requirements for that information. The RFP requires more details about labor costs, including position titles, headcounts, and wage and benefits costs for any employee who operates or is assigned to the garage. This language was added in after consultation with the DIA's parking consultant, Timothy Haas and Associates ("THA"), confirmed that requiring such specific information was not out of the norm or industry standards. Furthermore, the CEO of the DIA will approve the proposed budget from the vendor each year.

Term and Fee Structure:

The Scope of Services provides that the initial contract term with the vendor or vendors will be for five (5) years with three (3) one-year renewal options exercisable by the DIA. It also states the conditions under which the contract can be terminated in 90 days. These conditions are:

- The proposed operating costs contained in the budget for any year exceed the prior year's budget by more than 120% of the percent change in the CPI Index over the previous year. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.
- The actual operating expenses charged by the vendor in any year exceed the budget for such by more than 120% of the percent change in the CPI Index over the previous year unless the actual net revenue to DIA also exceeds the budget by an equal or greater %. Consumer Price Index is defined as the Consumer Price Index for all Urban Consumers, all items, US city average, not seasonally adjusted, published by the Bureau of Labor Statistics of the United States Department of Labor.

The estimated overall Operations/Management Fee is required to be placed in the annual budget that is approved by the CEO of the DIA. The Fee structure is designed to encourage vendors to increase net operating income without reducing the level of service in the garages.

RFP Scoring Criteria

There are four scoring criteria included within Exhibit 3 to each resolution version that awards a majority of the points to vendors who indicate that they have garage operations experience and can provide the services requested. The cost associated with providing those services and City JSEB requirements are also criteria for scoring. The four criteria are:

1. Company Experience and References (25 Points)

Proposers are scored based on experience in providing similar services to indicate that they have a history of operating similar garages. Proposers are also required to provide references that show management history for garages with for daily/monthly parking or garages with special event parking,

depending on what garages the vendor proposes to operate. Under this section, proposers will also be required to show the ability to generate revenue from garages of similar size and scope.

2. Operating and Staffing Plan (30 Points)

Proposers will be scored based on the operations plan that is provided to indicate how the garages listed in each RFP will be operated. These include the staffing plan, performance, transition and start-up, and customer service. The proposer will further have to describe which services will be provided by subcontractors and the experience of any that have already been identified.

3. Contract Cost (40 Points)

DIA is seeking a vendor that can provide a high quality of customer service and garage maintenance at a reasonable cost, and reward a vendor for material increases in net revenue returned to DIA. The fee structure is designed to incentivize the vendor to increase the net operating income in the garages without reducing the level of services provided. This is accomplished by requiring the vendor to offer a plan to increase net operating income in the operations plan. Vendors will also be scored on fixed monthly costs, variable monthly costs, how the structure incentivizes material increases in net operating income, and the percentage of total costs associated with onsite garage operations.

4. JSEB Participation (5 Points)

All City RFPs require proposers to demonstrate a commitment to diversity through utilization of minority, women-owned, and small businesses. This RFP requires that data be provided that shows this utilization within the organization, its community, and its subcontractors.